



Bulk Fuels CBU



Product Procurement



Bulk Fuels Program

The Mission Focus



- Procure MILSPEC Products in very large volumes
 - Award Annual Indefinite Quantity Contracts
 - Estimated Qty with a 75% minimum lift guarantee
 - Fixed Price with Economic Price Adjustment
 - Weekly Price Change
 - Based on Commercial Market for petroleum prices
- Focus on Inventory and Distribution alternatives
 - Utilize Bid Evaluation Model (BEM) for award distribution patterns
 - Accumulate and evaluate modes of transportation
 - Set and Maintain Peacetime Operating Stocks and War Reserve Materiel Management Levels
 - DESC Field Offices Order Fuel & Schedule Transportation
- One-stop shop for Quality and Standardization Issues



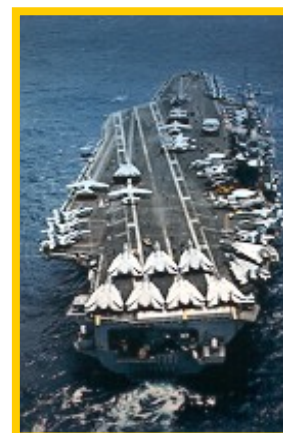
Bulk Petroleum Products

Uses and Unique Characteristics



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- F76
 - Navy Distillate fuel
 - Pour point
 - Stability
- JP5
 - Marine Aviation fuel
 - Flashpoint (140 degree F)
 - Fuel System Icing Inhibitor (FSII)
- JP8
 - 'Single Fuel' (ground & air)
 - FSII
 - Freeze point





Other Bulk Product Purchase Programs



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- Lube Oils
- Jet Propulsion Thermally Stable (JPTS)
- Fuel System Icing Inhibitor (FSII)
- Strategic Petroleum Reserve (SPR) - crude oil
- Foreign Military Sales – Government of Israel
- Aviation Synthetic Fuels (Synfuels)



Procurement Process



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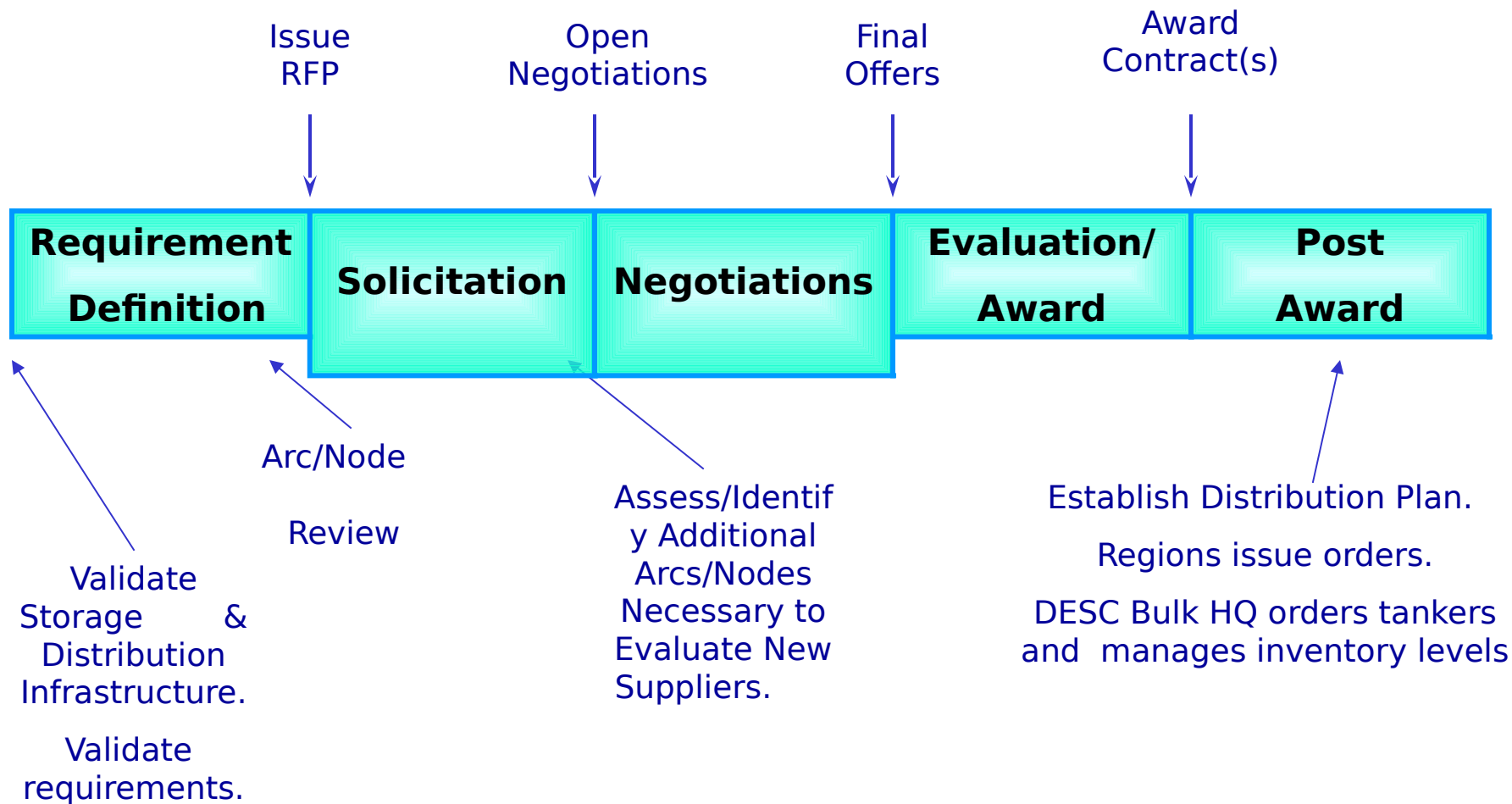
- Centralized procurement process
 - Region submits requirements to DESC-BI
 - All acquisition and award actions take place centrally at DESC-HQ
 - Regions place orders and receipt reports
 - Bulk contracting division provides contract admin support throughout life of contract.



Bulk Purchase Program Key Points



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Bid Evaluation Model



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A mixed-integer Linear Program (LP):

- Originally developed and run on DESC's mainframe computer
- Exported to a PC environment in 1994
- Combines offer information (price, quantity, and restrictions) with transportation rates and modes to determine the overall lowest laid down cost to the government





Bid Evaluation Model



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Factors considered when determining the “Lowest Overall Laid-in Cost”:

- multiple offers/refinery or terminal location for each product
- multiple requiring locations/destinations
- both FOB destination and FOB origin offers
- multiple distribution cost components and options
 - Operating cost for ocean tankers, barges, tank trucks
 - and pipelines
 - Excess thru-put charges, environmental fees, etc.
 - Terminalling costs for tariff agreements
 - Additive injection (FSII, SDA, CI)
- multiple set-asides for socio-economic programs



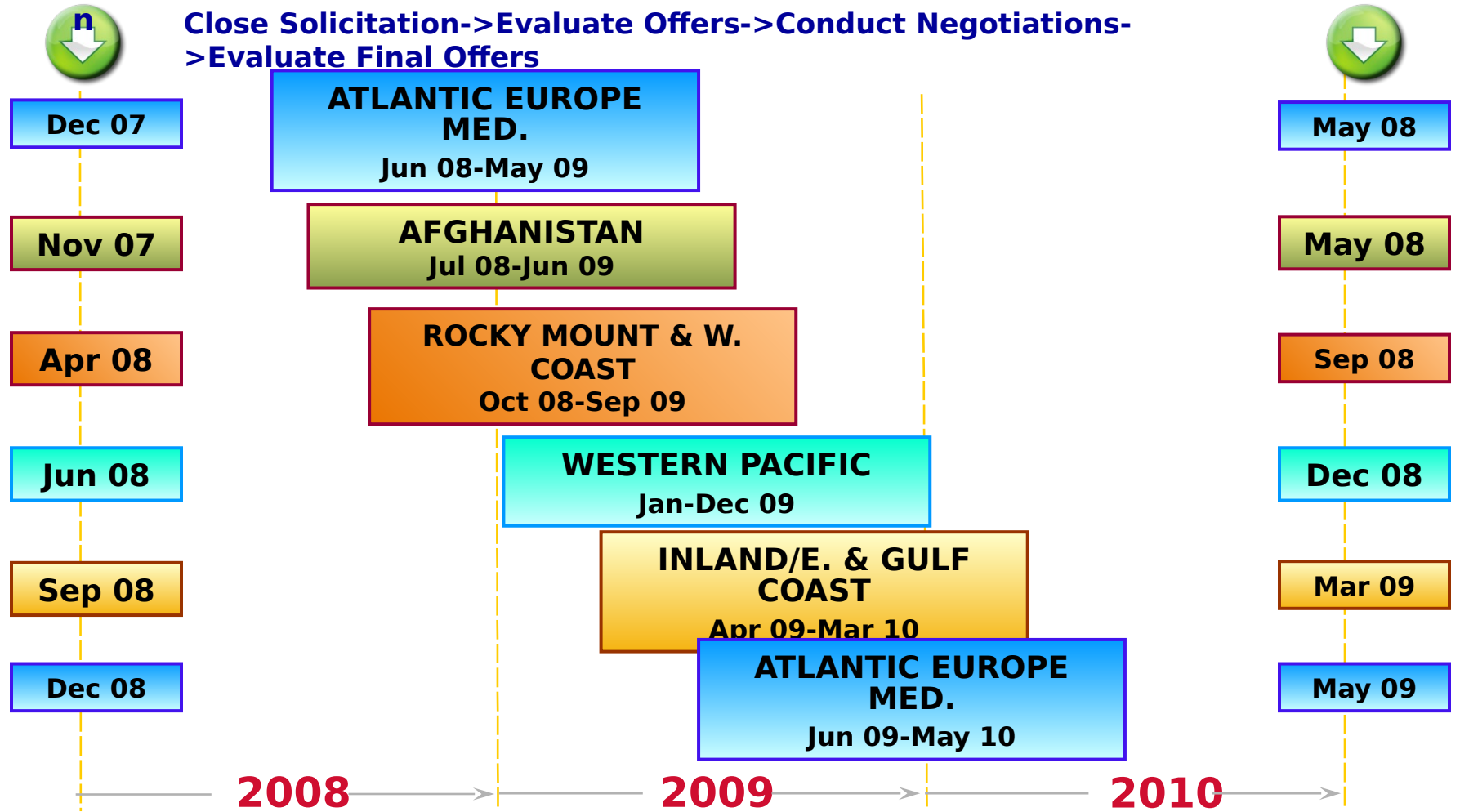
Bulk Fuels Purchase Programs



Issue Solicitation

Award Contract

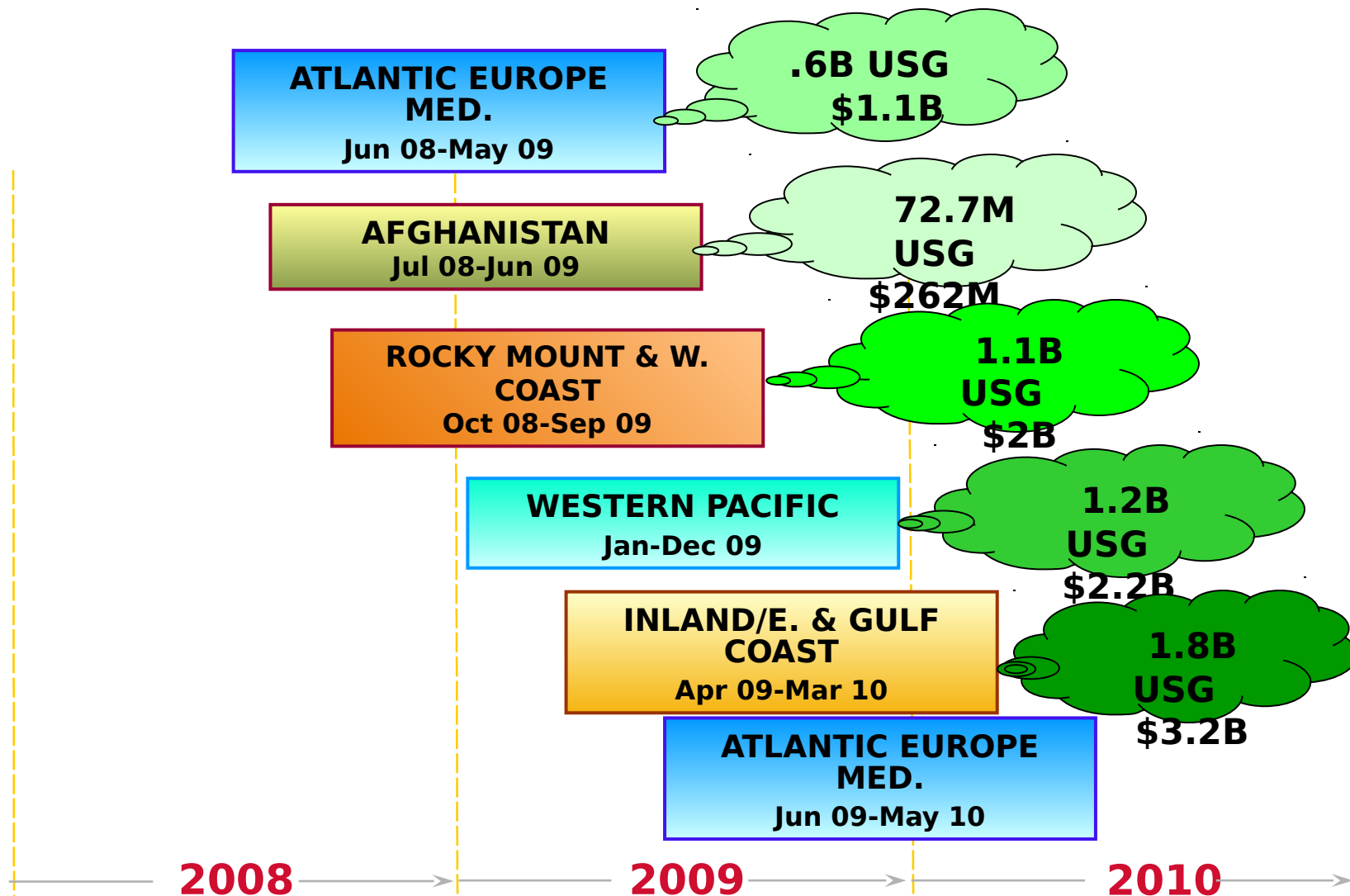
Close Solicitation->Evaluate Offers->Conduct Negotiations->Evaluate Final Offers





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Bulk Fuels Purchase Programs





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Finding Information

F e d B i z O p p s

Federal Business Opportunities

- **FedBizOpps** (www.fedbizopps.gov)
 - All solicitations greater than \$25,000.
 - Automatically notifies vendors of new solicitations.



- **DESC Homepage** (www.desc.dla.mil)
 - Reference current and past award reports.
 - Reference current and past BEM reports.
 - Access to current and historical contract pricing information.
 - Quality Operations Policies, Procedures and Guidance
 - Product Technology Reports and Standards
- **ASSIST Homepage** (www.assist.daps.dla.mil)



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Facilities & Distribution Management Procurement



Procurement Programs

Service Contracts



- GOCOs (Government-Owned, Contractor-Operated Fuel Terminals)
- Environmental (active and inactive GOCOs)
- COCOs (Contractor-Owned, Contractor-Operated Fuel Terminals)
- Alongside aircraft fuel delivery
- Lab Testing
- Military-based COCOs
- “Miscellaneous”

Unclassified



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GOCO Services

Government Owned, Contractor Operated Fuel Terminals

- Five-year term
- Firm-fixed price with cost reimbursable provisions
- 6 DESC CONUS
- 4 DESC OCONUS
- 33 Air Force CONUS
- 13 Air Force OCONUS





Environmental Services



- Five-year term
- Fixed unit prices with cost reimbursable provisions
- Assessment and remediation at active and inactive GOCOs
- Oil spill response training at active GOCOs
- Preparation of spill plans at active GOCOs/GOGOs





Environmental Contract Locations



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Active/Operating Locations

Charleston, SC*
Fort Hood, TX
Grand Forks, ND
Hunter Army Airfield, GA
Jacksonville, FL
Norfolk, VA
San Diego, CA
San Pedro, CA*
Tampa, FL*
Verona, NY*

Inactive Locations

Anchorage, AK*
Casco Bay, ME*
Cincinnati, OH*
Eielson, AK*
Indian, AK*
Melville, RI*
Newington, NH*
Norwalk, CA*
Ozol, CA*
Philadelphia, PA
Whittier, AK*

*DESC permitted locations

Unclassified



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COCO Services

Contractor-Owned, Contractor-Operated

- Term
- Price



JP-5 Tanks

- 27 locations
 - 18 Domestic
 - 9 Overseas

- Multiyear contracts (5 yrs with options up to 20 yrs)
- Fixed price with cost reimbursable provisions



F76 Tank

Unclassified



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Military-Based COCOs

Contractor-Owned, Contractor-Operated Fuel Facilities on Military Installations



8 Locations

- Ft. Bragg, NC
- Ft. Jackson, SC
- Schofield Barracks, HI
- 29 Palms, CA
- Ft. Carson, CO
- Camp Lejeune, NC
- Ft. Stewart, GA
- Ft. Gordon, GA
- Simmons/Mackall (Ft. Bragg), NC
- Ft. Campbell, KY

Unclassified





Alongside Aircraft Fuel Delivery Services



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- 26 locations (2 OCONUS)
 - 22 Navy-Marine
 - 3 Army
 - 1 NASA

- Four-year contracts
- Fixed unit prices with cost reimbursable line items



Unclassified



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Lab Testing



- 1-5 - year contracts
- Fixed unit prices

- 59 locations
 - 38 domestic
 - 21 overseas



Unclassified





Solicitation Web Page

(DESC-F) Facility and Distribution Management Solicitations - Microsoft Internet Explorer provided by Defense En... CENTER

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Solicitations

Number	Closing Date	Solicitation Status	Last Update
SP0600-07-R-0512	06/12/2007	NEW Amendment 0006	06/05/2007
Operation and maintenance of the bulk fuel facility at Robins AFB, GA.			
SP0600-07-R-0518	07/20/2007	NEW Solicitation	06/04/2007
Operation and maintenance of the bulk fuel facility at Grand Forks AFB, ND.			
SP0600-07-R-0516	08/20/2007	NEW Solicitation	05/31/2007
Operation and maintenance of the AF bulk fuel facility at Hill AFB, Utah.			
SP0600-07-R-0517	07/20/2007	NEW Solicitation	05/31/2007
Operation and maintenance of seven AF bulk fuel facilities.			
SP0600-07-R-0515	08/20/2007	NEW Solicitation	05/30/2007
Operation and maintenance of the bulk fuel facilities at seven Air Force locations.			

Done Local intranet

Start  Inbox - ... 2 Win... Microsoft... Calculator (DESC-... 1:39 PM



Link at <http://www.desc.dla.mil/DCM/DCMPage.asp?>

http://www.desc.dla.mil/DCM/Files/klistJan07.xls - Microsoft Internet Explorer provided by Defense Energy Supp...  **SPORT CENTER**

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Services Procurement Process



1. Receive & incorporate requirement into solicitation
2. Post solicitation on web page
3. Conduct pre-proposal conference
4. Receive & evaluate offers
5. Conduct negotiations
6. Receive & evaluate revised proposals
7. Select contractor
8. Award & administer contract



Receive & Incorporate Rqmnt into Solicitation



PR/PWS* Originator

- DESC-BH/NOLSC
- DESC-W
- NOLSC
- DESC-Q

Program Requirement

- GOCO/COCO
- Environmental
- Alongside aircraft fuel delivery
- Testing

*Purchase Request/Performance Work
Statement




Post Solicitation on Web Page



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- Customer Service
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- Energy Links
- Forms, Reports, Publications
- Fuels Automated System
- Training Opportunities
- Defense Logistics Agency
- Contact Us / Help Desk

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Section 508 Rehabilitation Act

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Solicitations

Number	Closing Date	Solicitation Status	Last Update
<u>SP0600-04-R-0084</u>	07/16/2004	NEW Solicitation	05/26/2004
The Operation and Maintenance of Fuel Facilities and Aircraft Refueling Services at Hunter AAF and Wright AAF in Savannah, GA.			
<u>SP0600-04-R-0011</u>	07/09/2004	NEW Amendment 0001	06/11/2004
This solicitation is for alongside aircraft refueling and other related services at NAF El Centro, CA.			
<u>SP0600-04-R-0087</u>	05/27/2004	NEW Amendment 0001	05/14/2004
To obtain the necessary facilities and services to receive, store, protect, and ship turbine fuel aviation grade JP8, turbine fuel aviation grade JP5, naval distillate grade F76, fuel system icing inhibitor FSII and conductivity additive SDA in the Carteret, New Jersey area for a five-year period beginning April 1, 2005. The Carteret, New Jersey area is defined as the area along the east coast from Perth Amboy, NJ north to Bayonne, NJ including Staten Island, NY. The facility offered must be capable of providing a Contractor furnished connection to the Colonial Common Carrier Pipeline System and a contractor furnished connection to the Buckeye Common Carrier Pipeline System for the shipment of JP8 to Verona, NY.			



Conduct Pre-Proposal Conference



Circumstances

- GOCOs
- New Requirements (e.g., AFDFs)

Benefits

- ✓ Physical inspection of facility and/or site layout
- ✓ Face-to-face meetings
- ✓ More participation by site personnel





Receive & Evaluate Revised Proposals



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- Team evaluation team reviews changes to technical proposal
- Contract Specialist assembles evaluation results to determine source selection
 - Informal source selection
 - Price and past performance only
 - Formal source selection
 - Technical, past performance, price and socioeconomic intentions



Select Contractor



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- Informal Source Selection
 - Evaluate past performance and price
 - Perform performance/price tradeoff as necessary
- Formal Source Selection
 - Evaluate technical, past performance, price and socioeconomic intentions
 - Perform tradeoffs among evaluation factors as necessary, giving consideration to order of importance



Award & Administer Contract



- Prepare contract documents and obtain necessary approvals for award
- After Contracting Officer signs contract, notify successful and unsuccessful offerors
- Conduct post-award conference as necessary
- Administer contracts
 - Assign COR as appropriate
 - Compliance issues
 - Payment issues
 - Contract modifications



Points Of Contact



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